

## Draft Regulations

### Draft Regulation

Supplemental Pension Plans Act  
(chapter R-15.1)

#### Papiers White Birch — Certain pension plans

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the draft Regulation concerning certain Papiers White Birch pension plans, appearing below, may be made by the Government on the expiry of 30 days following this publication.

The main purpose of the draft Regulation is to exempt the defined benefits component of certain new Papiers White Birch pension plans from the application of the Supplemental Pension Plans Act, (chapter R-15.1) and prescribe special rules that apply to them. The purpose of the special rules is to allow to be implemented agreements reached between the new employer and the employees while the employer party to the former pension plans was subject to an order rendered under the Companies' Creditors Arrangement Act. (Revised Statutes of Canada, 1985, chapter C-36).

Under section 12 of the Regulations Act, this Regulation can be made at the expiry of a period shorter than the 45 days provided for under section 11 of the Act.

The Government believes that the shorter interval for publication is justified by the urgency engendered by the following circumstances:

—Each additional day has an immediate financial impact on the retirees who await the effects of the increase in their pensions provided under the agreements reached between the new employer and the employees.

Further information may be obtained by contacting Mr. Patrick Provost, Régie des rentes du Québec, Place de la Cité, 2600, boulevard Laurier, Québec (Québec) G1V 4T3 (telephone: 418 657-8714 extension 4484; fax: 418 659-8983; email: patrick.provost@rrq.gouv.qc.ca).

Any person wishing to comment on the draft Regulation is asked to send their comments in writing before the expiry of the 30-day period mentioned above to Mr. Denys Jean, President and Chief Executive Officer

of the Régie des rentes du Québec, Place de la Cité, 2600, boulevard Laurier, 5<sup>e</sup> étage, Québec (Québec) G1V 4T3. Comments will be forwarded by the Régie to the Minister of Employment and Social Solidarity, who is responsible for the administration of the Supplemental Pension Plans Act.

AGNÈS MALTAIS,  
*Minister of Employment  
and Social Solidarity*

### Regulation concerning certain Papiers White Birch pension plans

Supplemental Pension Plans Act  
(chapter R-15.1, s. 2, para. 2 and 3.)

#### DIVISION I COMPONENTS OF A PENSION PLAN

**1.** A pension plan referred to in Appendix A is comprised of two or three components, that is, a current component and one or two past components.

The liabilities of the current component of a pension plan correspond to the portion of the liabilities of the plan related to obligations arising from services rendered as of the date of coming into force of the plan.

The past component of a pension plan means a component whose liabilities are related to credited service under a pension plan which has been terminated. The pension plans that have been terminated are referred to in Appendix B.

The pension plan designated by number 32198 has only one past component.

The pension plans designated by numbers 32197 and 32199 have two past components. The liabilities of the past component referred to as the “past component for the retirees” is the portion of the liabilities of the plan related to the members and beneficiaries of that plan to whom a pension was being paid prior to 13 September 2012 by a terminated pension plan. The liabilities of the past component referred to as the “past component of the other members” correspond to the balance of the liabilities of the plan related to credited service under a terminated pension plan.

The pension fund of a pension plan is divided into as many distinct accounts as the number of components in the plan.

**2.** At the effective date of a pension plan referred to in Appendix A, the assets of a past component of a plan correspond, for the purpose of determining its solvency and funding, to the value of the amounts to be transferred to the component further to the termination of a pension plan referred to in Appendix B.

**3.** For the purposes of section 39, Chapters X (Solvency and funding), X.1 (Appropriation of surplus assets) and XII (Division and merger), Division II of Chapter XI (Investments) and Chapter XIII (Rights of members and beneficiaries on winding-up) of the Supplemental Pension Plans Act (chapter R-15.1), the liabilities of a component and the corresponding account of the pension fund are considered to be separate from the liabilities and corresponding account of any other component.

However, where a pension plan has only one past component, the surplus assets of that component may be appropriated to the payment of employer contributions of the current component of the plan.

## **DIVISION II**

### **SPECIAL MEASURES FOR THE PAST COMPONENTS OF PLANS 32197 AND 32199**

**4.** Is exempt from the application of paragraph 2 of section 130 and sections 132 and 216 of the Act, the amendment of a pension plan that grants benefits referred to as “additional benefits related to early retirement” to the member of a past component of the other members of a pension plan designated by number 32197 or 32199, where the following conditions are met:

(1) the member is at least age 55 but under age 65 at the time his period of continuous services ends;

(2) his period of continuous service ends during the calendar year in which the amendment is made or during the preceding calendar year;

(3) his period of continuous service ends prior to the date on which the plan is terminated;

(4) during the existence of the plan, the plan text provides for the funding by the employer of additional liabilities whose value is established on a solvency basis in any actuarial valuation on the assumption that the additional

benefits related to early retirement are allocated to any member of a past component of the other members who is at least age 55 but under age 65;

(5) the additional benefits related to early retirement are described in detail in the copy of the plan text that accompanies the application for registration of the pension plan submitted to the Régie des rentes du Québec.

The additional benefits referred to in this section are not considered additional obligations within the meaning of section 128, paragraph 1 of section 130, sections 131 and 135 and the third paragraph of section 146.1 of the Act.

**5.** Notwithstanding section 3, the surplus assets of the past component of the retirees’ may be appropriated to the payment of employer contributions of the past component of the other members and vice versa.

Where both past components have surplus assets, the surplus assets of a past component can be allocated to the payment of the employer contributions to the current component of the pension plan.

**6.** The assets and liabilities of the past component of the retirees and those of the past component of the other members can be merged into a single component only at the date of an actuarial valuation showing that both components are solvent and fully funded.

## **DIVISION III**

### **ACTUARIAL VALUATION REPORT**

**7.** The actuarial valuation report for a pension plan shall present separately the information related to each component.

**8.** With respect to a past component of a pension plan, the actuarial valuation report shall contain the information and statements of the actuary provided for in the Section of the Canadian Institute of Actuaries’ Standards of Practice to which section 4 of the Regulation respecting supplemental pension plans (chapter R-15.1, r. 6) refers, as well as the information required by paragraphs 1 to 5 of that section and sections 4.1 to 4.6 of that regulation.

For such purposes, it is understood that these provisions and standards apply to each past component of the pension plan as though it were a separate pension plan.

## DIVISION IV COMMUNICATIONS

**9.** The second part of the statement provided for in section 108 of the Act shall mention that, for as long as the plan is comprised of separate components, the liabilities of each component and the corresponding account of the pension fund are considered to be separate from the liabilities and the account of any other component for the purposes of the payment of the share that goes to the spouse.

**10.** The information that the statements provided for under sections 108, 112, 113 and 207.3 of the Act must contain is determined for each component as though they were separate plans. The information relating to each component shall be presented separately on the statements.

The statements shall also mention that for the purposes of the payment of the benefits of the members and beneficiaries of the plan, for as long as the plan is comprised of separate components, the liabilities of each component and the corresponding account of the pension fund are considered to be separate from the liabilities and the account of any other component.

## Appendix A (sec. 1)

### Pension plans

Number under which the plan is designated at the Régie des rentes du Québec	Probable name of the plan at the time of registration
32197	Régime complémentaire de retraite des employés syndiqués de la Société en Commandite de Papier Masson WB LP
32198	Régime complémentaire de retraite des employés syndiqués de la Société en Commandite Stadacona WB LP
32199	Régime complémentaire de retraite des employés syndiqués de la Société en Commandite FF Soucy WB LP

**11.** The Régie des rentes du Québec may require from a pension committee, a provisional administrator or an employer party to a pension plan, on the conditions and within the time limits established by the Régie, any document, information or report that it deems necessary for ascertaining that the requirements imposed by this Regulation are met, particularly concerning the amounts to be transferred to each of the past components further to the termination of a pension plan referred to in Appendix B.

## DIVISION V MISCELLANEOUS PROVISIONS

**12.** This Regulation does not have the effect of creating, for the employer party to the pension plans referred to in Appendix A, any obligations in respect of the pension plans referred to in Appendix B.

**13.** Notwithstanding the second paragraph of section 118 of the Act, any actuarial valuation provided for under the first paragraph of that section that concerns a past component must be complete.

**14.** This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*. However, it has effect from 13 September 2012.

**Appendix B**

(sec. 1)

## Terminated pension plans

<b>Number under which the plan is registered with the Régie des rentes du Québec</b>	<b>Name of the plan at the date of its termination</b>
24480	Régime de retraite des employés syndiqués de Stadacona
26552	Régime complémentaire de retraite des employés syndiqués d'usine de F.F. Soucy
30735	Régime complémentaire de retraite des employés syndiqués de bureau de F.F. Soucy
31765	Régime de retraite des employés syndiqués de PML
2695	